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DPD-7679-59

Contract No. NY-A-501
Amendment No. 5

25X1A

1- NY-A-501
2- Contractor
3- Finance
4-
5- RI

25X1

Inc.
Los Angeles, California

Gentlemen:

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1. This document constitutes Amendment No. 5 to Contract No. NY-A-501 dated 21 August 1957, as amended, between Inc., Los Angeles, California, and the United States of America.

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2. Pursuant to the clause of this Contract entitled "Changes" the following new Clause 33 - NEGOTIATED OVERHEAD RATES is added to the General Provisions of this Contract effective 1 January 1959 and subsequent:

33. NEGOTIATED OVERHEAD RATES (ASPR 3-704.1)

(a) Notwithstanding the provisions of the clause of this contract entitled Allowable Cost, Fixed Fee and Payment, the allowable indirect costs under this contract shall be obtained by applying negotiated overhead rates to bases agreed upon by the parties, as specified below.

(b) The Contractor, as soon as possible but not later than six (6) months after the expiration of each period specified in the schedule shall submit to the Contracting Officer a proposed final overhead rate or rates for that period based on the Contractor's cost experience during that period, together with supporting cost data. Negotiation of final overhead rates by the Contractor and the Contracting Officer shall be undertaken as promptly as practicable after receipt of the Contractor's proposal.

(c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with ASPR, Section XV, Part 2, as in effect on the date of this contract.

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(d) The results of each negotiation shall be set forth in an amendment to this contract, which shall specify (i) the agreed final rates, (ii) the bases to which the rates apply, (iii) the periods for which the rates apply, and (iv) the specific items treated as direct costs or any changes in the items previously agreed to be direct costs.

(e) Pending establishment of final overhead rates for any period, the Contractor shall be reimbursed either at negotiated provisional rates as provided in the Schedule or at billing rates acceptable to the Contracting Officer, subject to appropriate adjustment when the final rates for that period are established. To prevent substantial over or under payment, the provisional or billing rates may, at the request of either party, be revised by mutual agreement, either retroactively or prospectively. Any such revision of negotiated provisional rates provided in the Schedule shall be set forth in an amendment to this contract.

(f) Any failure by the parties to agree on any final rate or rates under this clause shall be considered a dispute concerning a question of fact for decision by the Contracting Officer within the meaning of the clause of this contract entitled "Disputes."

3. PART VII - OVERHEAD of the Contract Schedule is deleted in its entirety and the following new PART VII is substituted therefor effective 1 January 1959 and subsequent.

PART VII - OVERHEAD

Allowable costs shall include an amount for overhead, indirect charges, and other elements of cost, excluded from or not covered by direct costs, and properly chargeable as indirect costs in accordance with "Contract Cost Principles, Section XV, Part 2, Armed Services Procurement Regulations," and the application of such contract cost principles as determined by the cognizant Department of Defense Audit Agency to the Contractor's operations under Department of Defense contracts in the Contractor's plant and accepted by the Contracting Officer hereunder as being in accordance with such principles and application.

(a) Overhead period - The period as contemplated by paragraph (b) of Clause 33 of the General Provisions hereof entitled "NEGOTIATED OVERHEAD RATES" shall be for twelve (12) months each. The first period hereunder shall be from 1 January 1959 through 31 December 1959.

(b) Negotiated Provisional Rates - In accordance with paragraph (e) of the clause entitled "NEGOTIATED OVERHEAD RATES" the Contractor shall be reimbursed for indirect costs (Overhead) at the Negotiated Provisional Rates stated below for the period indicated; Provisional Billing Rates have been approved hereunder by issuance of Letter Approvals by the Contracting Officer.

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4. Paragraph 3 of PART II - PERIOD OF PERFORMANCE AND DELIVERIES, as amended, is deleted and the following is substituted therefor:

PART II - PERIOD OF PERFORMANCE AND DELIVERIES

3. The performance of work hereunder shall be completed on 31 March 1960, subject to any amendments to this contract extending such period of performance.

5. All other terms, conditions and requirements of Contract No. NY-A-501, as amended, remain unchanged.

6. Please indicate your receipt and acceptance of this Amendment No. 5 to the contract by executing the original and two copies hereof. Return the fully executed original and one copy to the undersigned and retain the remaining copy for your files.

Very truly yours,

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[Redacted Signature Box]

Contracting Officer

ACKNOWLEDGED AND ACCEPTED

[Redacted Acknowledgment Box]

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By

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cts

DATE 9 February 1960

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